

WASHINGTON METROPOLITAN AREA TRANSIT COMMISSION

WASHINGTON, D. C.

ORDER NO. 899

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| IN THE MATTER OF: |) | Served December 18, 1968 |
| |) | |
| Application for Temporary |) | Application No. 542 |
| Control, Management, and |) | |
| Operation of Airport Transport, |) | Docket No. 195 |
| Inc., by the Greyhound Corporation) |) | |

On December 3, 1968, The Greyhound Corporation (Greyhound) filed an application (No. 541) for authority to acquire stock control of Airport Transport, Inc. (A.T.I.) through the purchase of all of the outstanding capital stock of that carrier, which is owned by ITT Consumer Services Corporation. That application was, by separate order (No. 898) entered today, set for hearing on February 6, 1969.

We have before us an application by Greyhound for authority to temporarily control, manage, and operate A.T.I. pending determination of the application for permanent control.

In support of its application, Greyhound states that A.T.I. is authorized by this Commission to provide ground transportation for airline passengers and personnel to and from the Washington National Airport and Dulles International Airport (Certificate of Public Convenience and Necessity No. 7). A.T.I. has, concomitantly rendered said service on, from, and to those facilities pursuant to a contract with the Federal Aviation Administration (F.A.A.). That contract expires December 31, 1968. Following invitations to bid on a new contract, and responding proposals by various companies, the F.A.A. awarded a new five-year contract to provide similar services, to Greyhound, effective January 1, 1969. Subsequently, Greyhound and ITT Consumer Services entered into an agreement for the sale by the latter of all of its capital stock in A.T.I. to Greyhound.

A copy of the agreement has been filed with the Commission. An additional agreement between the parties governing the terms of any temporary control approved by the Commission has been

filed with this application. Generally, it provides that Greyhound shall have exclusive control of A.T.I., including the power of and direction to manage rates, service, and equipment, to enter into contracts, and to control personnel.

In its application for temporary approval, Greyhound further claims that because of the above action, A.T.I. is unwilling to continue to operate the service voluntarily beyond December 31, 1968; that A.T.I. is now operating at a financial loss, and that its position, described as "tenuous", precluded it from seeking any fare adjustments; that the personnel of A.T.I. - many of whom are key employees - are uncertain of future employment and have indicated they will seek other employment unless their future status is confirmed immediately; that those employees would be lost, then, to whichever company finally operates the service. Moreover, Greyhound alleges, equipment modernization and replacement will have to be delayed pending final determination, unless temporary approval is granted. Temporary approval will also, it is stated, prevent any waste of existing A.T.I. assets.

The F.A.A. has, by letter, informed us of its strong support for the application. It claims that unless approval is granted on an interim basis, a disruption in service is a very real likelihood. The F.A.A. stresses that unbroken continuity of the service is essential to the operation of the two airports, and to the public they serve.

Consideration of this application is governed by the provisions of Article XII, Section 12(d), of the Compact; that law provides that the Commission "may, in its discretion, and without hearings or other proceedings, grant temporary approval of the operation of carrier properties sought to be acquired..."

On the basis of the facts set forth in the application and our knowledge of the background of the existing situation, the Commission is of the opinion and finds that the failure to grant the application may result in the destruction of, injury to, or the impairment of the usefulness of the carrier properties sought to be acquired. Since the F.A.A. has failed to renew its contract, A.T.I. can hardly be expected to wholeheartedly render - and financially support by reinvestment of funds - an outstanding level of service. Moreover, its position is not conducive to

retention of personnel. This in turn will obviously affect the level of performance of its service. With its future status in doubt, there could well be a diminution in the standards to which its properties are maintained. Moreover, if on some legal basis A.T.I. should simply cease operating after January 1, 1969, there would not only be considerable hardship to the travelling public, the resulting change in riding patterns, perhaps permanent in some cases, would impair the usefulness of the A.T.I.'s assets for providing service in the future.

On the other hand, there can be little question of Greyhound's fitness, skill, and ability properly to manage the operations of the carrier sought to be acquired. Its overall expertise in the transportation industry is universally recognized. Coupled with the present management and operational personnel, the existing level of service and the present standards for property maintenance can certainly be expected to be continued.

The Commission concludes, therefore, that temporary approval should be granted immediately, for a period of 180 days.

THEREFORE, IT IS ORDERED that the application of The Greyhound Corporation for temporary authority to control, manage, and operate Airport Transport, Inc., be, and it is hereby, granted for a period of 180 days, effective on the date of this Order; provided, that such management and operation is consistent and in conformity with the provisions of the agreement described hereinabove.

BY DIRECTION OF THE COMMISSION:



MELVIN E. LEWIS
Executive Director